

District Entrepreneurship Coalition on Innovation Credit Solutions



DEC in action in Mirzapur

A brainstorming workshop was conducted as part of “Vindhya Udyamita Vikas Manch” on June 30, 2023, in Mirzapur, Uttar Pradesh by Development Alternatives (DA) and its partners. The primary agenda was to discuss an innovative credit product that addresses the current challenges in obtaining loans for local micro-enterprises.

The objective was to gather stakeholders and financial experts to engage in constructive discussions, identify existing gaps, and devise effective solutions. The participants were divided into four groups, each assigned specific topics like Non-Performing Asset (NPA) and EMI collection. It was also suggested to train Business Correspondent Sakhi and the information kiosk centre to collect EMIs and take responsibility for repayments.

During the discussion, crucial feedback emerged for entrepreneurs seeking loans such as the importance of proper documentation, including regular filing of GST (Goods and Service Tax) or ITR (Income Tax return) for improving CIBIL (Credit Information Bureau (India) Limited) score and increasing the likelihood of loan approval.

Additionally, some stakeholders provided valuable feedback, offering further insights and suggestions for aspiring entrepreneurs. Aman Bhaiya from SBIF (State Bank of India Foundation) stated that entrepreneurs' problems should be resolved by the system, which is composed of institutions, businesses, and society as a whole. He urged entrepreneurs not to be influenced by people while making business decisions, to educate themselves about their sector, participate in training programmes, and to establish one's enterprise only when one is confident enough.

As a next step of the workshop, DA along with its partners and SBI Foundation will work on developing a framework to develop innovative credit delivery products which will help micro-entrepreneurs access credit. This innovative product will be piloted in Mirzapur and further scaled across nearby districts.